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November 13, 2001

Trade Policy Staff Committee  
Office of the United States Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, DC 20508

**Re: Certain Steel: Request to Exclude Products From Import Relief Under Section 203**

Pursuant to the Office of the United States Trade Representative's Federal Register notice of October 26, 2001 (66 Fed. Reg. 54,321), on behalf of Shaw Alloy Piping Products, Inc. ("Shaw APP"), we submit the following request to exclude products from import relief under section 203 of the Trade Act of 1974, as amended (19 U.S.C. 2253). This request is filed in relation to the product group of Carbon and Alloy Steel Flanges, Fittings and Tool Joints (ITC Product Group 22). Shaw APP is both a domestic producer and an importer of carbon and alloy fittings, and thus is qualified to request an exclusion from any increased duty, tariff-rate quota, or quantitative restriction that the President may impose under section 203(a) of the Trade Act. The specifics of this request are outlined below, following the format prescribed in the USTR's notice of October 26, 2001.

(a) The product for which Shaw APP requests an exclusion is commodity butt-weld fittings of chromium-molybdenum alloy ("chrome-moly") steel in standard wall thicknesses of ½ inch or less, in diameters of 2-24 inches, in both finished and unfinished forms. The product is designated

under the specification ASTM A-234. Chrome-moly butt-weld fittings enter the United States under two classifications of the Harmonized Tariff Schedule of the United States ("HTS"), 7307.93.6000 (butt-weld fittings of alloy steel (except stainless steel) with an inside diameter of less than 360 mm.) and 7307.93.9060 (butt-weld fittings of alloy steel (except stainless steel) with an inside diameter of 360 mm. or more).

(b) The product for which Shaw APP seeks an exclusion is commodity seamless butt-weld fittings of chrome-moly alloy steel in diameters of 2 through 24 inches, in standard wall thicknesses of ½ inch and below, in finished and unfinished forms. The specific product forms include elbows, tees, reducers, and caps. Commodity chrome-moly butt-weld fittings can be distinguished from other types of butt-weld fittings under HTS 7307.93 in several ways. First, chrome-moly fittings are made of alloy steel, and thus are clearly distinguishable from butt-weld fittings of iron and nonalloy steel, which are classified under separate 10-digit designations of the HTS (7307.93.3000 and 7307.93.9030). Chrome-moly fittings are also distinguished from other types of butt-weld fittings of alloy steel in that they are produced from steel incorporating the distinctive alloying elements of chromium and molybdenum, which other alloy steels do not contain. Chrome-moly butt-weld fittings are designed for use in refinery oil cracking systems in conjunction with chrome-moly alloy pipe. The use of chrome-moly alloys is specified in such systems due to high temperatures and moderate pressures. Because of their unique metallurgical qualities and their relatively high cost, chrome-moly butt-weld fittings are not used in flow systems that are constructed from carbon or other alloy steels. Finally, the product for which Shaw APP seeks an exclusion is limited to diameters of 2 through 24 inches and to standard wall thicknesses of ½ inch or less. Such chrome-moly butt-weld fittings are considered "commodity" fittings in the marketplace and can be

distinguished from "specialty" chrome-moly butt-weld fittings, which are produced in wall thicknesses greater than ½ inch and in diameters greater than 24 inches.

(c) This exclusion is requested because to the best knowledge of Shaw APP, commodity chrome-moly butt-weld fittings in wall thicknesses of ½ inch or less are not available for purchase in either finished or unfinished forms from other domestic producers of carbon and alloy butt-weld fittings. Thus, were relief to be provided on this product, it would not act to benefit any domestic producer. Further, were an increased duty, tariff-rate quota, or quantitative restriction to be applied to commodity chrome-moly butt-weld fittings, Shaw APP would likely be unable to source sufficient quantities of the product for its purposes of further-processing (unfinished butt-weld fittings) and distribution (finished butt-weld fittings).

(d) To the best knowledge of Shaw APP, other than Shaw APP's finishing operations performed on imported unfinished fittings, there are no U.S. producers of commodity chrome-moly alloy butt-weld fittings. There are two known U.S. producers of specialty chrome-moly butt-weld fittings (i.e., in wall thicknesses greater than ½ inch). These producers are Dynamic Products, Inc. of Houston, Texas and Custom Alloy Corp. of Highbridge, New Jersey. The following list includes all known producers of commodity chrome-moly butt-weld fittings in foreign countries:

Petrol Raccord, Italy	IBF Coprosider, Italy
Tecnoforge, Italy	Erne, Austria
BKL, England	Benkan, Japan
Sungkwang Bend, Korea	TaeKwang Bend, Korea
Wilhelm Gelbach, Germany	

(e) Shaw APP is unable to provide any reasonable estimation of total U.S. consumption of commodity chrome-moly butt-weld fittings for the period 1996 to 2000 or any projection of annual consumption for the period 2001-2005. There are no known sources of public information on the size of the market in the United States for this product and the import statistics for butt-weld fittings of alloy steel are basket categories that include specialty chrome-moly fittings as well as fittings made from alloy steels other than chrome-moly alloy.

(f) To the best knowledge of Shaw APP, other than Shaw APP's finishing operations on imported unfinished fittings, there was no U.S. production of commodity chrome-moly alloy butt-weld fittings in wall thicknesses ½ inch and below in the 1996-2000 period.

(g) There are no substitutes for commodity chrome-moly alloy butt-weld fittings. As noted above, chrome-moly fittings are used exclusively in chrome-moly piping systems. Only butt-weld fittings made from chrome-moly alloys can be used in chrome-moly piping systems, and chrome-moly alloy butt-weld fittings are not applied in piping systems of carbon steel or other alloy steels. Further, chrome-moly butt-weld fittings in wall thicknesses greater than ½ inch are not normally substituted for those with wall thicknesses ½ inch and below.

In summary, to the knowledge of Shaw APP, commodity chrome-moly alloy butt-weld fittings are not produced in the United States and any remedy that might be applied to this product would not benefit any domestic producer. Further, if a remedy were imposed in relation to commodity chrome-moly alloy butt-weld fittings, Shaw APP would be placed at a commercial disadvantage because its supply of unfinished fittings for further processing in the United States and finished fittings for distribution might be interrupted. In light of these facts, Shaw APP requests that commodity chrome-moly alloy butt-weld fittings in diameters 2 through 24 inches and in standard

wall thicknesses ½ inch and below be excluded from any remedy that is applied by the President in relation to Carbon and Alloy Steel Flanges, Fittings, and Tool Joints (ITC Product Group 22).

Please contact the undersigned with any questions that you may have in relation to this submission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael T. Kerwin". The signature is fluid and cursive, with the first name "Michael" and last name "Kerwin" clearly distinguishable.

MICHAEL T. KERWIN

Representatives of Shaw Alloy Piping  
Products, Inc.